

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB2254
Version:	FA1
Request Number:	8034
Author:	Rep. Burns
Date:	3/21/2023
Impact:	See Analysis Below

Research Analysis

The floor substitute for HB2254 directs the Board of Investors of the Tobacco Settlement Endowment Trust (TSET) Fund to invest at least 4 percent of TSET funds in eligible Oklahoma venture capital companies and funds.

CHANGES IN FLOOR SUBSTITUTE VERSION FROM COMMITTEE SUBSTITUTE VERSION:

The floor substitute defines and outline the eligibility requirements for what is considered an eligible venture capital company or fund. Previously, the committee substitute defined eligible companies as those that meet eligibility for the [Invest in Oklahoma Program](#).

Prepared By: Quyen Do

Fiscal Analysis

HB 2254 requires the Board of Investors of the Tobacco Settlement Endowment Trust (TSET) Fund to invest four percent (4%) of funds in venture capital entities. The floor amendment provides eligibility requirements for eligible venture capital companies and funds.

Per the State Treasurer's office, a liquidation plan with current TSET funds to raise the necessary funding for new venture capital investments could result in market losses and selling expenses. Venture capital investments offer higher potential gains but carry more risk of loss than other types of investments. While the addition of eligibility requirements may mitigate the risk profile of these investments, the measure modifies the risk portfolio of TSET, a state asset. This measure is not expected to have a direct impact on the state budget or appropriations.

Prepared By: Jay St Clair, House Fiscal Staff

Other Considerations

None.